

D 33177

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Name.....

Reg. No.....

**FIRST SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2023**

M.B.A. (CUCSS)

BUS 1C 08—ACCOUNTING FOR MANAGERS

Time : Three Hours

Maximum : 36 Weightage

**Part A***Answer all questions.**Each question carries 1 weightage.*

1. What is Window dressing ?
2. What do you mean by fund flow statement ?
3. What is net profit ratio ?
4. Distinguish between trade discount and cash discount.
5. What is Amortization ?
6. What is a Deferred Revenue Expenditure ?

(6 × 1 = 6 weightage)

**Part B***Answer any four questions.**Each question carries 3 weightage.*

7. Explain Accounting Conventions.
8. From the following information prepare a Trading Account for the year ended 31<sup>st</sup> March 2019.

<i>Particulars</i>	₹
Stock as on 1-4-2018	40,000
Purchases	1,30,000
Returns outward	10,000
Sales	2,50,000
Returns inward	20,000
Stock as on 31-3-2019	30,000
Carriage inward	12,000
Duty and clearing charges	8,000

**Turn over**

9. What is a Balance sheet ? What are its limitations ?
10. Discuss the limitations of Ratio analysis.
11. Explain the various methods of depreciation.
12. From the following Balance Sheet as on 31st march 2018 and 2019, prepare the statement of sources and uses of funds :

<i>Liabilities</i>	2018 (₹)	2019 (₹)	<i>Assets</i>	2018 (₹)	2019 (₹)
Share capital	80,000	90,000	Cash	60,000	94,000
Trade creditors	20,000	46,000	Debtors	2,40,000	2,30,000
P and L A/c.	4,60,000	5,00,000	Stock in trade	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

(4 × 3 = 12 weightage)

**Part C**

*Answer any **three** questions.  
Each question carries 4 weightage*

13. From the following details prepare a balance sheet as on 31<sup>st</sup> March 2019 :

Current ratio	...	2.5
Liquid ratio	...	1.5
Bank overdraft	...	₹ 30,000
Working capital	...	₹ 1,80,000
Fixed Assets	...	₹ 5,40,000
Reserves and surplus	...	₹ 1,20,000
Proprietary ratio	...	0.75 (FA to proprietary funds)

14. The following are extracted from the books of Mr. Anand as on 31-03-2018. Prepare a Trial Balance :

<i>Particulars</i>	₹	<i>Particulars</i>	₹
Capital	15,000	Purchases	7,200
Drawings	2,500	Return inwards	1,000
Furniture and fittings	1,300	Discounts (Dr.)	800
Bank overdraft	2,100	Discounts (Cr.)	1,000
Sundry creditors	5,500	Taxes	1,000
Business premises	10,000	General expenses	2,000
Stock (1-4-2017)	11,000	Salaries	4,500
Sundry debtors	9,000	Commissions (Dr.)	1,100
Rent from tenants	500	Reserves for bad debts	1,000
Purchases	55,000	Carriage on purchases	900

15. Critically examine the major uses of ratio analysis in financial evaluation.
16. What is fund flow statement and what are the mechanics involved in preparation of funds flow statement?
17. The Balance Sheet of Data Tech Ltd. for 2018 and 2019 are as follows :

<i>Liabilities</i>	2018 (₹)	2019 (₹)	<i>Assets</i>	2018 (₹)	2019 (₹)
Share capital	1,40,000	1,48,000	Land	40,000	60,000
Bonds	24,000	12,000	Inventories	98,400	85,400
Accounts payable	20,720	23,680	Accounts receivable	29,800	35,400
Provision for debts	1,400	1,600	Goodwill	20,000	10,000
Reserves and surplus	20,080	21,120	Bank balance	18,000	15,600
	2,06,200	2,06,400		2,06,200	2,06,400

Additional information :

- (a) Dividend amounting to ₹7,000 were paid during the year 2009.
- (b) Land was purchased for ₹ 20,000.

**Turn over**

(c) ₹ 10,000 were written off on good will during the year.

(d) Bonds of ₹ 12,000 were paid during the course of the year.

You are required to prepare a cash flow statement.

(3 × 4 = 12 weightage)

**Part D**

**Compulsory question.**

*Carries 6 weightage.*

18. From the following balances, prepare the final accounts as on 31 March, 2019. Extracts of Balances as on 31 -03-2019 :

Debit Balances	₹	Credit Balances	₹
Drawings	45,000	Capital account	6,09,000
Goodwill	90,000	Bills payable	41,400
Land and building	1,80,000	Sundry creditors	91,500
Plant and machinery	1,20,000	Purchase returns	7,950
Loose tools	9,000	Sales	3,45,000
Bills receivables	6,000		
Stock as on 1-4-2018	1,20,000		
Purchase	1,53,000		
Wages	60,000		
Carriage inwards	3,600		
Carriage outwards	4,500		
Coal and gas	16,800		
Salaries	12,000		
Rent, rates and taxes	8,400		
Discount allowed	4,500		
Cash at bank	75,000		
Cash in hand	4,200		

Debit Balances	₹	Credit Balances	₹
Sundry debtors	1,35,000		
Repairs	5,400		
Printing and stationary	1,500		
Bad debts	3,600		
Advertisements	10,500		
Sales returns	6,000		
Furniture and fittings	3,600		
General expenses	15,750		

Additional information :

- (i) Closing stock on 31-3-2019 was ₹ 1,80,000.
- (ii) Depreciate Plant and Machinery at 5 %, Loose tools at 15 %, and Furniture and fittings at 5 %.
- (iii) Provide 2.5 % for Discount on Sundry Debtors and Creditors and 5 % for Bad and Doubtful Debts.
- (iv) Outstanding wages ₹ 4,500 and Rent and Taxes ₹ 2,550.

(1 × 6 = 6 weightage)